



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

May 27, 2009

Brian Leonard, Controller  
MillerCoors L.L.C., a Delaware Corporation  
15801 E. First Street  
Irwindale, CA 91706

Dear Mr. Leonard:

RE: FINAL MONITORING REPORT for MILLERCOORS II (ET07-0322)

<b>Date of this Monitoring:</b>	5/1/09 (on-site), 5/20/09 (desk review), 5/27/09 (telephone)
<b>Beginning/Ending Time:</b>	9:30 a.m. - 12:30 p.m. (on-site)
<b>Date of Last Visit:</b>	3/27/09
<b>Visit Location:</b>	Irwindale
<b>Persons in attendance:</b>	Susan Gray, Human Resources Manager, MillerCoors Yolaund Sulcer, Learning & Development Manager, MillerCoors Margarita M. Paccereilli, Contract Analyst, ETP
<b>Action Required:</b>	No

## CONTRACT INFORMATION:

<b>Term of Agreement:</b>	04/27/07 – 04/26/09	<b>Agreement Amount:</b>	\$1,277,100
<b>Training Start Date:</b>	04/27/07	<b>No. to Retain:</b>	500
<b>Date Training must be Completed:</b>	01/26/09	<b>Range of Hours:</b>	24 - 225
<b>Type of Trainee:</b>	Retrainee	<b>Weighted Ave. Hours:</b>	215

## FINAL REPORT SUMMARY

A final monitoring visit was conducted on May 1, 2009. However, the Analyst was unable to closeout the contract at that time due to several action items found during the records review. Ms. Paccereilli gave your staff an opportunity to review the training records, make the necessary corrections, and provide ETP documentation relating to the cited records.

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ETP (04/15/05)

Ms. Sulcer submitted the corrected records to ETP via facsimile and a desk review was conducted by the Analyst on May 20, 2009. The outcome of the review and content of this final report were discussed with Ms. Sulcer on May 27, 2009 via telephone.

- **HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on June 12, 2007 and training began on April 27, 2007. Ms. Sulcer reported that all training was completed on January 26, 2009, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – April 26, 2009.

- **FINAL PROJECT STATISTICS**

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 225 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

Based on the data obtained from the ETP Online Tracking System, your company has provided 47,539; of which only 46,967 hours are eligible for reimbursement. There are 572 hours entered online that are not eligible for reimbursement because the trainees who completed these hours have not met the minimum hours required in this Agreement.

**Project Statistics Provided By The Contractor**

<b>Trainees Started Training:</b>	467	<b>Completed Training:</b>	424
<b>Trainees Enrolled:</b>	467	<b>Completed Retention:</b>	424
<b>Dropped Following Enrollment:</b>	43	<b>In Retention Period:</b>	0

There are 424 trainees who completed training and retention. Projected earnings will be \$843,516 (66%) based on the following calculation:

<b>TRAINING</b>	<b>TOTAL HOURS</b>	<b>FIXED FEE RATE</b>	<b>TOTAL REIMBURSEABLE AMOUNT</b>
Class/Lab	46,967	\$18	\$845,406
Disallowed Hours ( <i>Refer to Page 3 – Training Records</i> )			(\$1,890)
<b>Projected ETP Reimbursement</b>			<b>\$843,516</b>

Since your company has received \$740,679 from ETP to date, you will receive an additional \$102,837 if the anticipated number to retain is verified during the final fiscal closeout.

The ETP Contract Status Report shows 107 trainees have been retained and 43 trainees have been dropped. There are 317 trainees still showing on active status. At this time, all active trainees must either be dropped or invoiced for final payment. By the terms of the Agreement, the final contract closeout should be completed within 30 days of the end term date of the Agreement. Since this final report was just issued today, the Analyst is giving you 15-day extension to closeout this Agreement. The final contract closeout invoice and associated documents must be submitted to ETP on or before the close of business on June 10, 2009.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

A final interview was conducted with Ms. Gray and Ms. Sulcer. They informed the Analyst that several factors affected the progress of the training. During the development of this Agreement, they stated that employee vacation was not factored in when they were putting together the training plan. In addition, they accounted for lunch break when calculating the average hours per trainee, which the Analyst disallowed in this Agreement.

Although your company did not complete 100%, they informed the Analyst that the training provided strong team leadership and function within the bottle packaging line. In fact, one team who attended the ETP training is now the top-performing bottle packaging line in the whole company nationwide. Prior to the training, only 15 to 20% could perform certain level of maintenance. Since receiving the ETP training, employees are now able to perform up to 66% of minor performance reducing waste and downtime.

When queried about the ETP process and online systems, they stated that they did not experience any problem with ETP record keeping and online systems. They also stated that ETP staff was very helpful in providing assistance in the administration of this project.

### **TRAINING RECORDS**

On May 1, 2009, Ms. Pacerelli conducted a random sampling of training records of 21 trainees who completed training and retention. She validated completion of training hours of 9 trainees. However, she was unable to validate records of 12 trainees. Training records of these trainees were either missing trainee or trainer's signatures.

Ms. Sulcer submitted copies of these records to the Analyst via facsimile. The Analyst did a desk review on May 20, 2009 and her findings were as follows:

1) *Training Records of Michael Bonafede* (Total amount disallowed: \$1,080)

Manufacturing Skills training from May 9, 2007 through May 18, 2007 shows credit for 7.5 hours for 8 days (total hours: 60) on the ETP Online System. However, the attendance rosters noted that this trainee was absent on those dates. Based on \$18 fixed fee rate per trainee hour, the total amount disallowed is \$1,080.

2) *Training Records of Hoa (Scott) Khoan* (Total amount disallowed: \$135)

Manufacturing Skills training on November 5, 2007 shows credit for 7.5 hours. However, the attendance rosters did not sign on the roster that day. Based on \$18 fixed fee rate per trainee hour, the total amount disallowed is \$135.

3) *Training Records of Lanai Brown* (Total amount disallowed: \$675)

Manufacturing Skills training from May 7, 2007 through May 11, 2007 shows credit for 7.5 hours for 5 days (total hours: 37.5) on the ETP Online System. However, the attendance rosters noted that this trainee was absent (vacation) on those dates. Based on \$18 fixed fee rate per trainee hour, the total amount disallowed is \$675.

Training records of the rest of the trainees were also reviewed and were found to be in conformance with ETP requirements. It should be noted that the above findings, particularly the disallowed training hours, are based only on the training records reviewed during monitoring visits and desk review, and represents only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

### **AUDIT**

You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

### **RECORD RETENTION**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccelleri at (818) 755-1317 or by email at [mpaccelleri@etp.ca.gov](mailto:mpaccelleri@etp.ca.gov) within ten (10) working days from the receipt of this report.

Sincerely,

**Signature on file**

Wally Aguilar, Program Manager  
North Hollywood Regional Office



**Signature on file**

Margarita M. Paccarelli, Analyst  
North Hollywood Regional Office

cc: Susan M. Gray, Human Resources Manager, MillerCoors (via email)  
Yolanda Sulcer, Learning and Development Manager, MillerCoors (via email)  
David Guzman, Chief, ETP Audits & Program Operations Division (via email)  
Kulbir Mayall, Fiscal Manager (via email)  
Master File  
Project File

Date report mailed to Contractor 6/3/09